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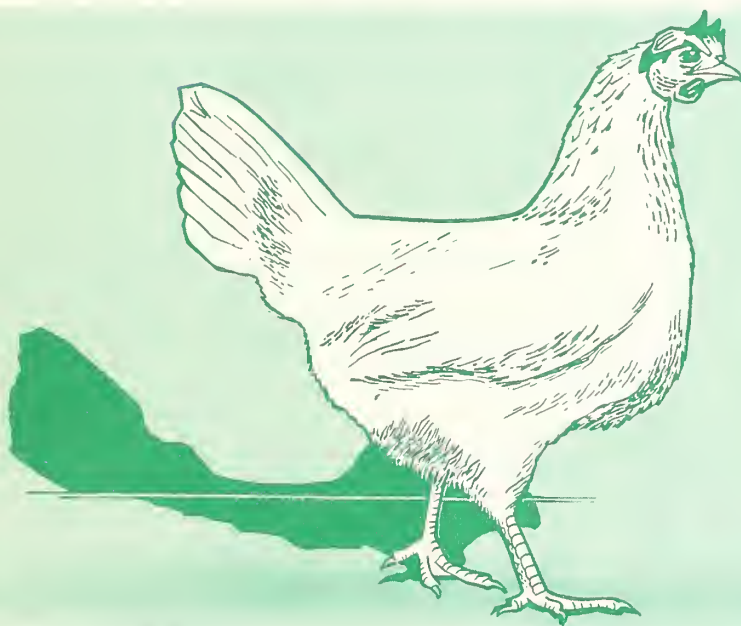
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CURRENT SERIAL RECORDS

COSTS and RETURNS



**Commercial
Egg-
Producing
Farms**

New Jersey

1967

FARM COSTS AND RETURNS STUDIES

This report is part of a continuing nationwide study of costs and returns on commercial farms and ranches by type and size in some of the important farming regions of the United States. The study is conducted under the general supervision of Wylie D. Goodsell, Farm Production Economics Division, Economic Research Service. Objectives, methodology, procedure, and terms are uniform for all areas covered in the study.

The 1967 costs and returns studies have been conducted on the following:

Dairy Farms, Northeast and Midwest
 Corn Belt Farms
 Egg-Producing Farms, New Jersey
 Broiler Farms, Maine, Delmarva, and Georgia
 Cotton Farms
 Tobacco Farms, Coastal Plain, North Carolina
 Tobacco-Livestock Farms, Bluegrass Area, Kentucky and Penn-royal Area, Kentucky-Tennessee
 Wheat Farms, Plains and Pacific Northwest
 Western Livestock Ranches

Summary statistics for all types of farms in the study are presented in a report, revised annually. The latest such report was published in 1967 and is titled: "Farm Costs and Returns, Commercial Farms, by Type, Size, and Location," Agriculture Information Bulletin, No. 230, Revised 1967.

Information on the studies can be obtained from Farm Production Economics Division, Economic Research Service, U.S. Department of Agriculture, Washington, D.C. 20250.

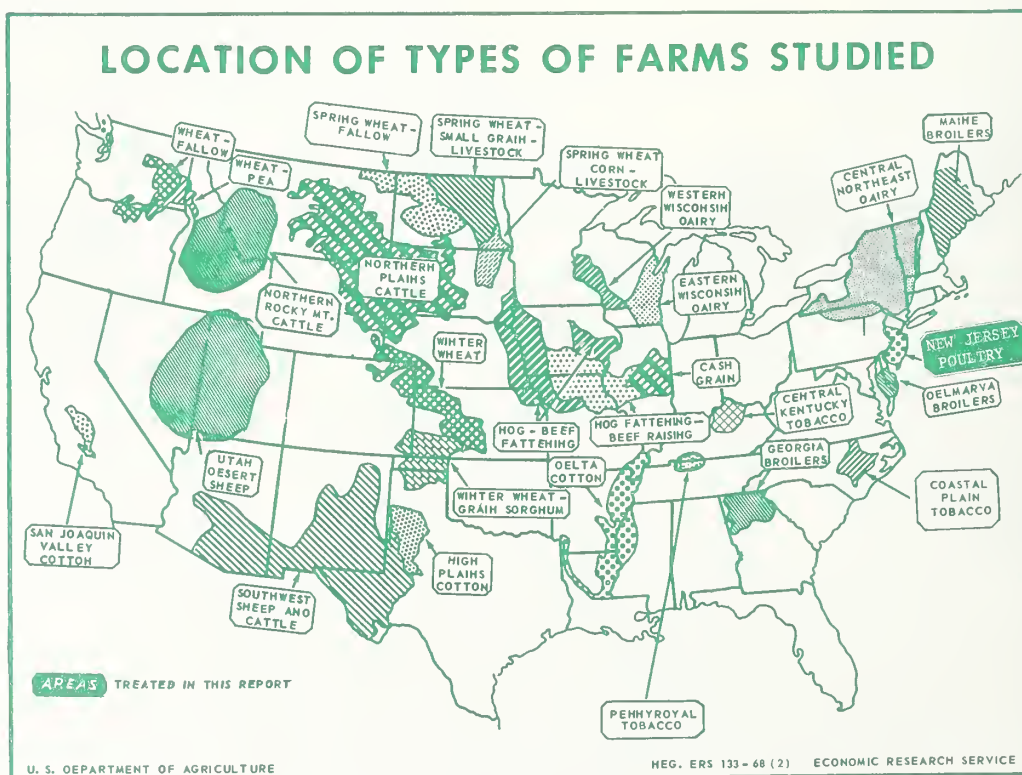


Figure 1

COSTS AND RETURNS

COMMERCIAL EGG-PRODUCING FARMS, NEW JERSEY, 1967

by Wylie D. Goodsell, Robert G. Latimer, and Daphene E. Tippet¹

In 1967 net farm income on commercial egg-producing farms in New Jersey (figs. 1 and 2) was considerably lower than the record-high return of 1966. The average net farm income of approximately \$1,113 was 87 percent below that of a year earlier and the lowest since 1959 (fig. 3). It was about 36 percent below the 1957-59 average. Egg prices were down about 24 percent from 1966 and the price drop was the chief factor contributing to the reduced income. The price for cull layers was almost one-third less than in 1966 and, although culling was heavier, sales were not sufficient to offset the lower price received for the birds sold. Gross farm income was down 20 percent, while operating expense increased about 1 percent (table 1).

Receipts from egg sales account for about 98 percent of total cash receipts on these farms. The remainder comes from sales of cull layers. Egg prices in 1967 averaged 30.6 cents per dozen, 9.6 cents below 1966. Except for January, when egg prices were the same for both years, prices ranged from 6.0 to 14.5 cents a dozen lower in 1967 than in the corresponding months in 1966.

A change in the price received for eggs has more influence than any other single factor on net returns on these farms. With the quantity of eggs sold on these farms in 1967 and other cost factors remaining the same, a 1-cent increase in the price of eggs would increase gross returns by approximately 3.1 percent and increase the relatively low 1967 net farm income by approximately 77 percent or \$860 per farm. Another factor affecting net returns, although of much less importance than price, is the rate of lay. It has trended upward almost year by year. The rate increased from approximately 195 eggs per hen in 1957-59 to 210 in 1967. If the rate of lay were increased by 1 egg per layer and prices and other factors remain the same, net farm income would increase by approximately 0.5 percent.

¹ Agricultural Economist, Farm Production Economics Division, Economic Research Service, U.S. Department of Agriculture; Assistant Specialist, Farm Management, Department of Agricultural Economics, Rutgers University; and Statistical Assistant, Farm Production Economics Division, Economic Research Service, U.S. Department of Agriculture, respectively. The New Jersey Agricultural Experiment Station is a cooperator in the continuing study of costs and returns on commercial egg-producing farms in New Jersey.

LOCATION OF EGG-PRODUCING FARMS NEW JERSEY



U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 5516-68(2) ECONOMIC RESEARCH SERVICE

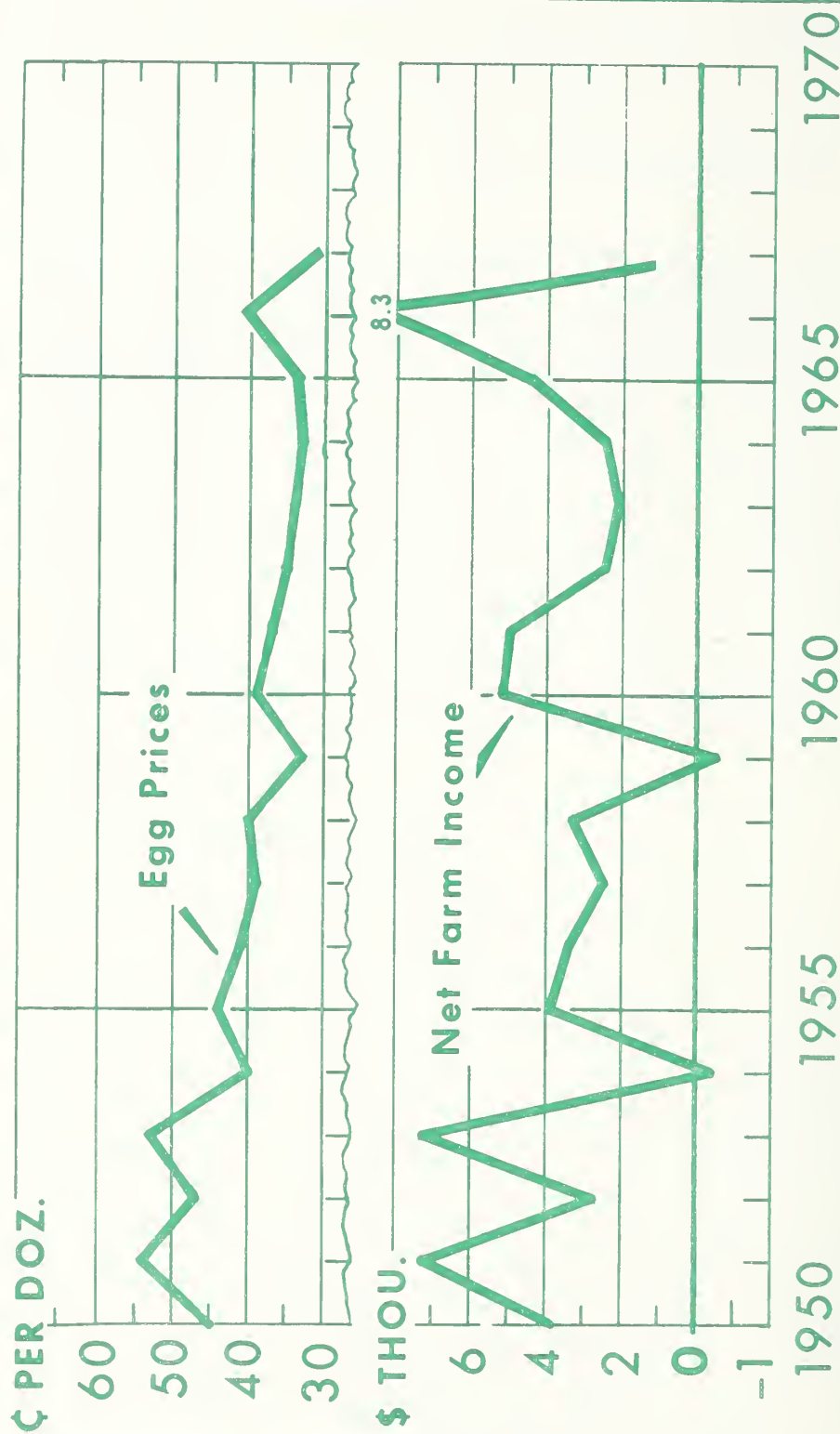
Although the average number of layers was down slightly in 1967, egg production per layer was about 10 eggs or 5 percent higher than in 1966. However, the increased production was not enough to offset the lower price received for eggs. Receipts from eggs in 1967 averaged about \$26,285 per farm, a reduction of about \$6,700 from a year earlier. A few more cull layers were sold in 1967, but prices received for the birds sold were lower and, as a result, receipts from culls sold were down about \$250 per farm.

Operating expense in 1967 averaged approximately \$26,940 per farm, an increase of about \$310 from the previous year because more goods and services were purchased at generally higher prices. In 1966, feed prices advanced during the year and averaged about 10 percent higher in the last quarter than in the first quarter. In 1967 prices declined during the year, but averaged about the same as in 1966. Expenditures for feed increased slightly because of modest increases in the size of flock and number of chicks purchased. Feed expenditures per farm in 1967 were up from 1966 by about \$255 per farm. They normally make up nearly 78 percent of total cash expenditures on these farms. Because of its importance, any change in feed price has a significant effect on total farm expenditures. Had feed prices risen by 10 cents per hundred pounds in 1967, total cash expenditures would have risen by nearly 3 percent.

Cost of hired labor also increased in 1967. Per hour labor cost increased nearly 7 percent, and the average farm expenditure for hired labor was about 5 percent higher than in 1966.

N. J. Egg-Producing Farms

EGG PRICES AND NET FARM INCOME



U. S. DEPARTMENT OF AGRICULTURE

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Figure 3

Table 1.--Organization, production, costs and returns, commercial egg-producing farms,
New Jersey, average 1957-59, annual 1966-67

Item	Unit	Average 1957-59	1966	1967 ^{1/}
Laying hens on hand, Jan. 1.....	Number	4,690	5,300	5,400
Chickens raised.....	do.	3,040	2,860	3,000
Average number of layers on hand, during year:	do.	4,080	4,930	4,915
Eggs per layer on hand, during year.....	do.	195	200	210
Total labor used.....	Hour	5,200	4,940	4,840
Operator and family.....	do.	4,280	4,050	3,970
Hired.....	do.	920	890	870
Total farm capital, Jan. 1.....	Dollar	42,090	48,290	50,310
Land and buildings.....	do.	32,850	38,230	39,420
Machinery and equipment.....	do.	1,890	2,370	2,520
Livestock.....	do.	7,350	7,690	8,370
Total cash receipts.....	do.	25,410	33,752	26,802
Eggs.....	do.	24,658	32,986	26,284
Cull layers.....	do.	752	766	518
Total cash expenditures.....	do.	25,487	26,635	26,943
Feed purchased.....	do.	19,286	20,810	21,064
Baby chicks.....	do.	1,419	1,110	1,140
Brooder fuel.....	do.	183	126	120
Other poultry expense.....	do.	490	534	437
Machinery.....	do.	926	978	1,024
Farm buildings.....	do.	1,530	942	961
Labor hired.....	do.	840	1,040	1,089
Taxes.....	do.	434	627	640
Telephone.....	do.	33	40	40
Electricity.....	do.	230	243	241
Insurance.....	do.	34	52	54
Miscellaneous expense.....	do.	82	133	133
Net cash farm income.....	do.	-77	7,117	-141
Value of perquisites ^{2/}	do.	922	1,071	1,099
Change in inventory:				
Livestock.....	do.	182	145	155
Machinery and buildings.....	do.	715	0	0
Gross farm income.....	do.	26,514	34,968	28,056
Operating expenses.....	do.	24,772	26,635	26,943
Net farm income.....	do.	1,742	8,333	1,113

^{1/} Preliminary.

^{2/} Includes a nominal charge for the dwelling.

Note: Information presented here is on an owner-operator basis primarily for comparability between types of farms. Net farm income is the return to operator and unpaid members of the family for their labor and management on the farm and return to total capital. No allowance has been made for payment of rent, interest, or mortgage.

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